

E2SHB 1910 - S COMM AMD
By Committee on Ways & Means

ADOPTED AND ENGROSSED 4/9/07

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 84.14.005 and 1995 c 375 s 1 are each amended to read
4 as follows:

5 The legislature finds:

6 (1) That in many of Washington's urban centers there is
7 insufficient availability of desirable and convenient residential
8 units, including affordable housing units, to meet the needs of a
9 growing number of the public who would live in these urban centers if
10 these desirable, convenient, attractive, affordable, and livable places
11 to live were available;

12 (2) That the development of additional and desirable residential
13 units, including affordable housing units, in these urban centers that
14 will attract and maintain a significant increase in the number of
15 permanent residents in these areas will help to alleviate the
16 detrimental conditions and social liability that tend to exist in the
17 absence of a viable mixed income residential population and will help
18 to achieve the planning goals mandated by the growth management act
19 under RCW 36.70A.020; and

20 (3) That planning solutions to solve the problems of urban sprawl
21 often lack incentive and implementation techniques needed to encourage
22 residential redevelopment in those urban centers lacking a sufficient
23 variety of residential opportunities, and it is in the public interest
24 and will benefit, provide, and promote the public health, safety, and
25 welfare to stimulate new or enhanced residential opportunities,
26 including affordable housing opportunities, within urban centers
27 through a tax incentive as provided by this chapter.

28 **Sec. 2.** RCW 84.14.007 and 1995 c 375 s 2 are each amended to read
29 as follows:

1 It is the purpose of this chapter to encourage increased
2 residential opportunities, including affordable housing opportunities,
3 in cities that are required to plan or choose to plan under the growth
4 management act within urban centers where the ~~((legislative body))~~
5 governing authority of the affected city has found there is
6 insufficient housing opportunities, including affordable housing
7 opportunities. It is further the purpose of this chapter to stimulate
8 the construction of new multifamily housing and the rehabilitation of
9 existing vacant and underutilized buildings for multifamily housing in
10 urban centers having insufficient housing opportunities that will
11 increase and improve residential opportunities, including affordable
12 housing opportunities, within these urban centers. To achieve these
13 purposes, this chapter provides for special valuations in residentially
14 deficient urban centers for eligible improvements associated with
15 multiunit housing ~~((in residentially deficient urban centers)),~~ which
16 includes affordable housing.

17 **Sec. 3.** RCW 84.14.010 and 2002 c 146 s 1 are each amended to read
18 as follows:

19 Unless the context clearly requires otherwise, the definitions in
20 this section apply throughout this chapter.

21 (1) "City" means either (a) a city or town with a population of at
22 least ~~((thirty))~~ fifteen thousand ~~((or)),~~ (b) the largest city or town,
23 if there is no city or town with a population of at least ~~((thirty))~~
24 fifteen thousand, located in a county planning under the growth
25 management act, or (c) a city or town with a population of at least
26 five thousand located in a county subject to the provisions of RCW
27 36.70A.215.

28 (2) "Affordable housing" means residential housing that is rented
29 by a person or household whose monthly housing costs, including
30 utilities other than telephone, do not exceed thirty percent of the
31 household's monthly income. For the purposes of housing intended for
32 owner occupancy, "affordable housing" means residential housing that is
33 within the means of low or moderate-income households.

34 (3) "Household" means a single person, family, or unrelated persons
35 living together.

36 (4) "Low-income household" means a single person, family, or
37 unrelated persons living together whose adjusted income is at or below

1 eighty percent of the median family income adjusted for family size,
2 for the county where the project is located, as reported by the United
3 States department of housing and urban development. For cities located
4 in high-cost areas, "low-income household" means a household that has
5 an income at or below one hundred percent of the median family income
6 adjusted for family size, for the county where the project is located.

7 (5) "Moderate-income household" means a single person, family, or
8 unrelated persons living together whose adjusted income is more than
9 eighty percent but is at or below one hundred fifteen percent of the
10 median family income adjusted for family size, for the county where the
11 project is located, as reported by the United States department of
12 housing and urban development. For cities located in high-cost areas,
13 "moderate-income household" means a household that has an income that
14 is more than one hundred percent, but at or below one hundred fifty
15 percent, of the median family income adjusted for family size, for the
16 county where the project is located.

17 (6) "High cost area" means a county where the third quarter median
18 house price for the previous year as reported by the Washington center
19 for real estate research at Washington State University is equal to or
20 greater than one hundred thirty percent of the statewide median house
21 price published during the same time period.

22 (7) "Governing authority" means the local legislative authority of
23 a city having jurisdiction over the property for which an exemption may
24 be applied for under this chapter.

25 ~~((+3))~~ (8) "Growth management act" means chapter 36.70A RCW.

26 ~~((+4))~~ (9) "Multiple-unit housing" means a building having four or
27 more dwelling units not designed or used as transient accommodations
28 and not including hotels and motels. Multifamily units may result from
29 new construction or rehabilitated or conversion of vacant,
30 underutilized, or substandard buildings to multifamily housing.

31 ~~((+5))~~ (10) "Owner" means the property owner of record.

32 ~~((+6))~~ (11) "Permanent residential occupancy" means multiunit
33 housing that provides either rental or owner occupancy on a
34 nontransient basis. This includes owner-occupied or rental
35 accommodation that is leased for a period of at least one month. This
36 excludes hotels and motels that predominately offer rental
37 accommodation on a daily or weekly basis.

1 ((+7)) (12) "Rehabilitation improvements" means modifications to
2 existing structures, that are vacant for twelve months or longer, that
3 are made to achieve a condition of substantial compliance with existing
4 building codes or modification to existing occupied structures which
5 increase the number of multifamily housing units.

6 ((+8)) (13) "Residential targeted area" means an area within an
7 urban center that has been designated by the governing authority as a
8 residential targeted area in accordance with this chapter.

9 ((+9)) (14) "Substantial compliance" means compliance with local
10 building or housing code requirements that are typically required for
11 rehabilitation as opposed to new construction.

12 ((+10)) (15) "Urban center" means a compact identifiable district
13 where urban residents may obtain a variety of products and services.
14 An urban center must contain:

15 (a) Several existing or previous, or both, business establishments
16 that may include but are not limited to shops, offices, banks,
17 restaurants, governmental agencies;

18 (b) Adequate public facilities including streets, sidewalks,
19 lighting, transit, domestic water, and sanitary sewer systems; and

20 (c) A mixture of uses and activities that may include housing,
21 recreation, and cultural activities in association with either
22 commercial or office, or both, use.

23 **Sec. 4.** RCW 84.14.020 and 2002 c 146 s 2 are each amended to read
24 as follows:

25 (1)(a) The value of new housing construction, conversion, and
26 rehabilitation improvements qualifying under this chapter is exempt
27 from ad valorem property taxation, as follows:

28 (i) For properties for which applications for certificates of tax
29 exemption eligibility are submitted under chapter 84.14 RCW before the
30 effective date of this act, the value is exempt for ten successive
31 years beginning January 1 of the year immediately following the
32 calendar year of issuance of the certificate ~~((of tax exemption~~
33 ~~eligibility. However, the exemption does not include the value of land~~
34 ~~or nonhousing related improvements not qualifying under this chapter));~~
35 and

36 (ii) For properties for which applications for certificates of tax

1 exemption eligibility are submitted under chapter 84.14 RCW on or after
2 the effective date of this act, the value is exempt:

3 (A) For eight successive years beginning January 1st of the year
4 immediately following the calendar year of issuance of the certificate;
5 or

6 (B) For twelve successive years beginning January 1st of the year
7 immediately following the calendar year of issuance of the certificate,
8 if the property otherwise qualifies for the exemption under chapter
9 84.14 RCW and meets the conditions in this subsection (1)(a)(ii)(B).
10 For the property to qualify for the twelve-year exemption under this
11 subsection, the applicant must commit to renting or selling at least
12 twenty percent of the multifamily housing units as affordable housing
13 units to low and moderate-income households, and the property must
14 satisfy that commitment and any additional affordability and income
15 eligibility conditions adopted by the local government under this
16 chapter. In the case of projects intended exclusively for owner
17 occupancy, the minimum requirement of this subsection (1)(a)(ii)(B) may
18 be satisfied solely through housing affordable to moderate-income
19 households.

20 (b) The exemptions provided in (a)(i) and (ii) of this subsection
21 do not include the value of land or nonhousing-related improvements not
22 qualifying under this chapter.

23 (2) When a local government adopts guidelines pursuant to RCW
24 84.14.030(2) and (~~the qualifying dwelling units are each on separate~~
25 ~~parcels for the purpose of property taxation)) includes conditions that~~
26 must be satisfied with respect to individual dwelling units, rather
27 than with respect to the multiple-unit housing as a whole or some
28 minimum portion thereof, the exemption may, at the local government's
29 discretion, be limited to the value of the qualifying improvements
30 allocable to those dwelling units that meet the local guidelines.

31 ~~((+2))~~ (3) In the case of rehabilitation of existing buildings,
32 the exemption does not include the value of improvements constructed
33 prior to the submission of the application required under this chapter.
34 The incentive provided by this chapter is in addition to any other
35 incentives, tax credits, grants, or other incentives provided by law.

36 ~~((+3))~~ (4) This chapter does not apply to increases in assessed
37 valuation made by the assessor on nonqualifying portions of building
38 and value of land nor to increases made by lawful order of a county

1 board of equalization, the department of revenue, or a county, to a
2 class of property throughout the county or specific area of the county
3 to achieve the uniformity of assessment or appraisal required by law.

4 ~~((4))~~ (5) At the conclusion of the ~~((ten-year))~~ exemption period,
5 the new or rehabilitated housing cost shall be considered as new
6 construction for the purposes of chapter 84.55 RCW.

7 **Sec. 5.** RCW 84.14.030 and 2005 c 80 s 1 are each amended to read
8 as follows:

9 An owner of property making application under this chapter must
10 meet the following requirements:

11 (1) The new or rehabilitated multiple-unit housing must be located
12 in a residential targeted area as designated by the city;

13 (2) The multiple-unit housing must meet ~~((the))~~ guidelines as
14 adopted by the governing authority that may include height, density,
15 public benefit features, number and size of proposed development,
16 parking, ~~((low income or moderate))~~ income limits for occupancy
17 ~~((requirements))~~, limits on rents or sale prices, and other adopted
18 requirements indicated necessary by the city. The required amenities
19 should be relative to the size of the project and tax benefit to be
20 obtained;

21 (3) The new, converted, or rehabilitated multiple-unit housing must
22 provide for a minimum of fifty percent of the space for permanent
23 residential occupancy. In the case of existing occupied multifamily
24 development, the multifamily housing must also provide for a minimum of
25 four additional multifamily units. Existing multifamily vacant housing
26 that has been vacant for twelve months or more does not have to provide
27 additional multifamily units;

28 (4) New construction multifamily housing and rehabilitation
29 improvements must be completed within three years from the date of
30 approval of the application;

31 (5) Property proposed to be rehabilitated must fail to comply with
32 one or more standards of the applicable state or local building or
33 housing codes on or after July 23, 1995. If the property proposed to
34 be rehabilitated is not vacant, an applicant shall provide each
35 existing tenant housing of comparable size, quality, and price and a
36 reasonable opportunity to relocate; and

1 (6) The applicant must enter into a contract with the city approved
2 by the governing ((body)) authority, or an administrative official or
3 commission authorized by the governing authority, under which the
4 applicant has agreed to the implementation of the development on terms
5 and conditions satisfactory to the governing authority.

6 **Sec. 6.** RCW 84.14.040 and 1995 c 375 s 7 are each amended to read
7 as follows:

8 (1) The following criteria must be met before an area may be
9 designated as a residential targeted area:

10 (a) The area must be within an urban center, as determined by the
11 governing authority;

12 (b) The area must lack, as determined by the governing authority,
13 sufficient available, desirable, and convenient residential housing,
14 including affordable housing, to meet the needs of the public who would
15 be likely to live in the urban center, if the affordable, desirable,
16 attractive, and livable places to live were available; and

17 (c) The providing of additional housing opportunity, including
18 affordable housing, in the area, as determined by the governing
19 authority, will assist in achieving one or more of the stated purposes
20 of this chapter.

21 (2) For the purpose of designating a residential targeted area or
22 areas, the governing authority may adopt a resolution of intention to
23 so designate an area as generally described in the resolution. The
24 resolution must state the time and place of a hearing to be held by the
25 governing authority to consider the designation of the area and may
26 include such other information pertaining to the designation of the
27 area as the governing authority determines to be appropriate to apprise
28 the public of the action intended.

29 (3) The governing authority shall give notice of a hearing held
30 under this chapter by publication of the notice once each week for two
31 consecutive weeks, not less than seven days, nor more than thirty days
32 before the date of the hearing in a paper having a general circulation
33 in the city where the proposed residential targeted area is located.
34 The notice must state the time, date, place, and purpose of the hearing
35 and generally identify the area proposed to be designated as a
36 residential targeted area.

1 (4) Following the hearing, or a continuance of the hearing, the
2 governing authority may designate all or a portion of the area
3 described in the resolution of intent as a residential targeted area if
4 it finds, in its sole discretion, that the criteria in subsections (1)
5 through (3) of this section have been met.

6 (5) After designation of a residential targeted area, the governing
7 authority (~~shall~~) must adopt and implement standards and guidelines
8 to be utilized in considering applications and making the
9 determinations required under RCW 84.14.060. The standards and
10 guidelines must establish basic requirements for both new construction
11 and rehabilitation (~~including~~), which must include:

12 (a) Application process and procedures(~~(. These guidelines may~~
13 ~~include the following:)~~);

14 ~~((a))~~ (b) Requirements that address demolition of existing
15 structures and site utilization; and

16 ~~((b))~~ (c) Building requirements that may include elements
17 addressing parking, height, density, environmental impact, and
18 compatibility with the existing surrounding property and such other
19 amenities as will attract and keep permanent residents and that will
20 properly enhance the livability of the residential targeted area in
21 which they are to be located.

22 (6) The governing authority may adopt and implement, either as
23 conditions to eight-year exemptions or as conditions to an extended
24 exemption period under RCW 84.14.020(2), or both, more stringent income
25 eligibility, rent, or sale price limits, including limits that apply to
26 a higher percentage of units, than the minimum conditions for an
27 extended exemption period under RCW 84.14.020(2).

28 **Sec. 7.** RCW 84.14.050 and 1999 c 132 s 2 are each amended to read
29 as follows:

30 An owner of property seeking tax incentives under this chapter must
31 complete the following procedures:

32 (1) In the case of rehabilitation or where demolition or new
33 construction is required, the owner shall secure from the governing
34 authority or duly authorized (~~agent~~) representative, before
35 commencement of rehabilitation improvements or new construction,
36 verification of property noncompliance with applicable building and
37 housing codes;

1 (2) In the case of new and rehabilitated multifamily housing, the
2 owner shall apply to the city on forms adopted by the governing
3 authority. The application must contain the following:

4 (a) Information setting forth the grounds supporting the requested
5 exemption including information indicated on the application form or in
6 the guidelines;

7 (b) A description of the project and site plan, including the floor
8 plan of units and other information requested;

9 (c) A statement that the applicant is aware of the potential tax
10 liability involved when the property ceases to be eligible for the
11 incentive provided under this chapter;

12 (3) The applicant must verify the application by oath or
13 affirmation; and

14 (4) The application must be accompanied by the application fee, if
15 any, required under RCW 84.14.080. The governing authority may permit
16 the applicant to revise an application before final action by the
17 governing authority.

18 **Sec. 8.** RCW 84.14.060 and 1995 c 375 s 9 are each amended to read
19 as follows:

20 The duly authorized administrative official or committee of the
21 city may approve the application if it finds that:

22 (1) A minimum of four new units are being constructed or in the
23 case of occupied rehabilitation or conversion a minimum of four
24 additional multifamily units are being developed;

25 (2) If applicable, the proposed multiunit housing project meets the
26 affordable housing requirements as described in RCW 84.14.020;

27 (3) The proposed project is or will be, at the time of completion,
28 in conformance with all local plans and regulations that apply at the
29 time the application is approved;

30 ((+3+)) (4) The owner has complied with all standards and
31 guidelines adopted by the city under this chapter; and

32 ((+4+)) (5) The site is located in a residential targeted area of
33 an urban center that has been designated by the governing authority in
34 accordance with procedures and guidelines indicated in RCW 84.14.040.

35 **Sec. 9.** RCW 84.14.090 and 1995 c 375 s 12 are each amended to read
36 as follows:

1 (1) Upon completion of rehabilitation or new construction for which
2 an application for a limited tax exemption under this chapter has been
3 approved and after issuance of the certificate of occupancy, the owner
4 shall file with the city the following:

5 (a) A statement of the amount of rehabilitation or construction
6 expenditures made with respect to each housing unit and the composite
7 expenditures made in the rehabilitation or construction of the entire
8 property;

9 (b) A description of the work that has been completed and a
10 statement that the rehabilitation improvements or new construction on
11 the owner's property qualify the property for limited exemption under
12 this chapter; (~~and~~)

13 (c) If applicable, a statement that the project meets the
14 affordable housing requirements as described in RCW 84.14.020; and

15 (d) A statement that the work has been completed within three years
16 of the issuance of the conditional certificate of tax exemption.

17 (2) Within thirty days after receipt of the statements required
18 under subsection (1) of this section, the authorized representative of
19 the city shall determine whether the work completed, and the
20 affordability of the units, is consistent with the application and the
21 contract approved by the (~~governing authority~~) city and is qualified
22 for a limited tax exemption under this chapter. The city shall also
23 determine which specific improvements completed meet the requirements
24 and required findings.

25 (3) If the rehabilitation, conversion, or construction is completed
26 within three years of the date the application for a limited tax
27 exemption is filed under this chapter, or within an authorized
28 extension of this time limit, and the authorized representative of the
29 city determines that improvements were constructed consistent with the
30 application and other applicable requirements, including if applicable,
31 affordable housing requirements, and the owner's property is qualified
32 for a limited tax exemption under this chapter, the city shall file the
33 certificate of tax exemption with the county assessor within ten days
34 of the expiration of the thirty-day period provided under subsection
35 (2) of this section.

36 (4) The authorized representative of the city shall notify the
37 applicant that a certificate of tax exemption is not going to be filed
38 if the authorized representative determines that:

1 (a) The rehabilitation or new construction was not completed within
2 three years of the application date, or within any authorized extension
3 of the time limit;

4 (b) The improvements were not constructed consistent with the
5 application or other applicable requirements; (~~(or)~~)

6 (c) If applicable, the affordable housing requirements as described
7 in RCW 84.14.020 were not met; or

8 (d) The owner's property is otherwise not qualified for limited
9 exemption under this chapter.

10 (5) If the authorized representative of the city finds that
11 construction or rehabilitation of multiple-unit housing was not
12 completed within the required time period due to circumstances beyond
13 the control of the owner and that the owner has been acting and could
14 reasonably be expected to act in good faith and with due diligence, the
15 governing authority or the city official authorized by the governing
16 authority may extend the deadline for completion of construction or
17 rehabilitation for a period not to exceed twenty-four consecutive
18 months.

19 (6) The governing authority may provide by ordinance for an appeal
20 of a decision by the deciding officer or authority that an owner is not
21 entitled to a certificate of tax exemption to the governing authority,
22 a hearing examiner, or other city officer authorized by the governing
23 authority to hear the appeal in accordance with such reasonable
24 procedures and time periods as provided by ordinance of the governing
25 authority. The owner may appeal a decision by the deciding officer or
26 authority that is not subject to local appeal or a decision by the
27 local appeal authority that the owner is not entitled to a certificate
28 of tax exemption in superior court under RCW 34.05.510 through
29 34.05.598, if the appeal is filed within thirty days of notification by
30 the city to the owner of the decision being challenged.

31 **Sec. 10.** RCW 84.14.100 and 1995 c 375 s 13 are each amended to
32 read as follows:

33 (1) Thirty days after the anniversary of the date of the
34 certificate of tax exemption and each year for (~~a period of ten~~
35 ~~years~~) the tax exemption period, the owner of the rehabilitated or
36 newly constructed property shall file with a designated (~~agent~~)

1 authorized representative of the city an annual report indicating the
2 following:

3 ~~((+1))~~ (a) A statement of occupancy and vacancy of the
4 rehabilitated or newly constructed property during the twelve months
5 ending with the anniversary date;

6 ~~((+2))~~ (b) A certification by the owner that the property has not
7 changed use and, if applicable, that the property has been in
8 compliance with the affordable housing requirements as described in RCW
9 84.14.020 since the date of the certificate approved by the city; ~~((and~~

10 ~~+3))~~ (c) A description of changes or improvements constructed
11 after issuance of the certificate of tax exemption; and

12 (d) Any additional information requested by the city in regards to
13 the units receiving a tax exemption.

14 (2) All cities, which issue certificates of tax exemption for
15 multiunit housing that conform to the requirements of this chapter,
16 shall report annually by December 31st of each year, beginning in 2007,
17 to the department of community, trade, and economic development. The
18 report must include the following information:

19 (a) The number of tax exemption certificates granted;

20 (b) The total number and type of units produced or to be produced;

21 (c) The number and type of units produced or to be produced meeting
22 affordable housing requirements;

23 (d) The actual development cost of each unit produced;

24 (e) The total monthly rent or total sale amount of each unit
25 produced;

26 (f) The income of each renter household at the time of initial
27 occupancy and the income of each initial purchaser of owner-occupied
28 units at the time of purchase for each of the units receiving a tax
29 exemption and a summary of these figures for the city; and

30 (g) The value of the tax exemption for each project receiving a tax
31 exemption and the total value of tax exemptions granted.

32 **Sec. 11.** RCW 84.14.110 and 2002 c 146 s 3 are each amended to read
33 as follows:

34 (1) If improvements have been exempted under this chapter, the
35 improvements continue to be exempted ~~((and))~~ for the applicable period
36 under RCW 84.14.020, so long as they are not ~~((be))~~ converted to
37 another use ~~((for at least ten years from date of issuance of the~~

1 ~~certificate of tax exemption))~~ and continue to satisfy all applicable
2 conditions. If the owner intends to convert the multifamily
3 development to another use, or if applicable, if the owner intends to
4 discontinue compliance with the affordable housing requirements as
5 described in RCW 84.14.020 or any other condition to exemption, the
6 owner shall notify the assessor within sixty days of the change in use
7 or intended discontinuance. If, after a certificate of tax exemption
8 has been filed with the county assessor, the ~~((city or assessor or~~
9 ~~agent))~~ authorized representative of the governing authority discovers
10 that a portion of the property is changed or will be changed to a use
11 that is other than residential or that housing or amenities no longer
12 meet the requirements, including, if applicable, affordable housing
13 requirements, as previously approved or agreed upon by contract between
14 the ~~((governing authority))~~ city and the owner and that the multifamily
15 housing, or a portion of the housing, no longer qualifies for the
16 exemption, the tax exemption must be canceled and the following must
17 occur:

18 (a) Additional real property tax must be imposed upon the value of
19 the nonqualifying improvements in the amount that would normally be
20 imposed, plus a penalty must be imposed amounting to twenty percent.
21 This additional tax is calculated based upon the difference between the
22 property tax paid and the property tax that would have been paid if it
23 had included the value of the nonqualifying improvements dated back to
24 the date that the improvements were converted to a nonmultifamily use;

25 (b) The tax must include interest upon the amounts of the
26 additional tax at the same statutory rate charged on delinquent
27 property taxes from the dates on which the additional tax could have
28 been paid without penalty if the improvements had been assessed at a
29 value without regard to this chapter; and

30 (c) The additional tax owed together with interest and penalty must
31 become a lien on the land and attach at the time the property or
32 portion of the property is removed from multifamily use or the
33 amenities no longer meet applicable requirements, and has priority to
34 and must be fully paid and satisfied before a recognizance, mortgage,
35 judgment, debt, obligation, or responsibility to or with which the land
36 may become charged or liable. The lien may be foreclosed upon
37 expiration of the same period after delinquency and in the same manner
38 provided by law for foreclosure of liens for delinquent real property

1 taxes. An additional tax unpaid on its due date is delinquent. From
2 the date of delinquency until paid, interest must be charged at the
3 same rate applied by law to delinquent ad valorem property taxes.

4 (2) Upon a determination that a tax exemption is to be canceled for
5 a reason stated in this section, the governing authority or authorized
6 representative shall notify the record owner of the property as shown
7 by the tax rolls by mail, return receipt requested, of the
8 determination to cancel the exemption. The owner may appeal the
9 determination to the governing authority or authorized representative,
10 within thirty days by filing a notice of appeal with the clerk of the
11 governing authority, which notice must specify the factual and legal
12 basis on which the determination of cancellation is alleged to be
13 erroneous. The governing authority or a hearing examiner or other
14 official authorized by the governing authority may hear the appeal. At
15 the hearing, all affected parties may be heard and all competent
16 evidence received. After the hearing, the deciding body or officer
17 shall either affirm, modify, or repeal the decision of cancellation of
18 exemption based on the evidence received. An aggrieved party may
19 appeal the decision of the deciding body or officer to the superior
20 court under RCW 34.05.510 through 34.05.598.

21 (3) Upon determination by the governing authority or authorized
22 representative to terminate an exemption, the county officials having
23 possession of the assessment and tax rolls shall correct the rolls in
24 the manner provided for omitted property under RCW 84.40.080. The
25 county assessor shall make such a valuation of the property and
26 improvements as is necessary to permit the correction of the rolls.
27 The value of the new housing construction, conversion, and
28 rehabilitation improvements added to the rolls shall be considered as
29 new construction for the purposes of chapter 84.55 RCW. The owner may
30 appeal the valuation to the county board of equalization under chapter
31 84.48 RCW and according to the provisions of RCW 84.40.038. If there
32 has been a failure to comply with this chapter, the property must be
33 listed as an omitted assessment for assessment years beginning January
34 1 of the calendar year in which the noncompliance first occurred, but
35 the listing as an omitted assessment may not be for a period more than
36 three calendar years preceding the year in which the failure to comply
37 was discovered.

1 NEW SECTION. **Sec. 12.** This act is necessary for the immediate
2 preservation of the public peace, health, or safety, or support of the
3 state government and its existing public institutions, and takes effect
4 immediately."

E2SHB 1910 - S COMM AMD
By Committee on Ways & Means

ADOPTED 4/9/07

5 On page 1, line 2 of the title, after "housing;" strike the
6 remainder of the title and insert "amending RCW 84.14.005, 84.14.007,
7 84.14.010, 84.14.020, 84.14.030, 84.14.040, 84.14.050, 84.14.060,
8 84.14.090, 84.14.100, and 84.14.110; and declaring an emergency."

--- END ---